

HINDUJA FINANCE LIMITED

(CIN: U65993MH2006PLC166340)

Regd. Office: Hinduja House, 171, Dr. Annie Besant Road, Worli, Mumbai 400018

VIGIL MECHANISM

1. Preface

- a. Hinduja Finance Limited (“HFL”) believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour. Any actual or potential violation of these standards, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. The role of the employees in pointing out such violations of the standards cannot be undermined.
- b. Section 177 of Companies Act, 2013 requires all listed companies and other specified class of Companies to establish a mechanism called ‘Vigil Mechanism’ for employees to report to the management instances of unethical behaviour, actual or suspected, fraud or violation of the company’s standards of conduct or ethics policy.
- c. Accordingly, this Vigil Mechanism (“the Policy”) has been formulated with a view to provide a mechanism for employees of the Company to approach the Ethics Counsellor / designated person of the Audit Committee of the Company.

2. Definitions

The definitions of some of the key terms used in this Policy are given below.

- a. **“Alleged Wrongful Conduct”** means violation of law, infringement of Company’s standards of conduct, mismanagement, misappropriation of monies, actual or suspected fraud, substantial and specific danger to public health and safety or abuse of authority.
- b. **“Audit Committee”** means the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act, 2013.
- c. **“Directors”** means directors appointed on the Board of the Company including executive, non-executive, independent, nominee and alternate directors.
- d. **“Disciplinary action”** means any action that can be taken on the completion of or during the investigation proceedings including but not limited to a warning, imposition of fine, suspension from official duties or any such action as is deemed to be fit considering the gravity of the matter.
- e. **“Employee”** means every employee of the HFL, including the Directors in the employment of the Company.
- f. **“Good faith”** shall imply the absence of unethical and improper activity or any other alleged wrongful conduct forming a reasonable basis for making a protected disclosure under the Policy. Good faith shall be deemed to be lacking when the employee does not have personal knowledge on a

factual basis for the communication or where the employee knew or reasonably should have known that the communication about the unethical and / or improper activity or alleged wrongful conduct is malicious, false or frivolous.

- g. **“Investigators”** means those persons authorised, appointed, consulted or approached by the Ethics Counsellor / designated person of the Audit Committee.
- h. **“Protected Disclosure”** means any communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity.
- i. **“Subject”** means a person against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation.
- j. **“Unethical and / or Improper Activity”** means an activity which does not conform to approved standard of social and professional behavior thereby resulting in unethical business practices
- k. **“Whistle Blower”** means an employee making a Protected Disclosure under this Policy.

3. Scope

- a. The Whistle Blower’s role is that of a reporting party with reliable information. They are not required or expected to act as investigators or finders of facts, nor would they determine the appropriate corrective or remedial action that may be warranted in a given case.
- b. Whistle Blowers should not act on their own in conducting any investigative activities, nor do they have a right to participate in any investigative activities other than as requested by the Ethics Counsellor or the designated person of the Audit Committee or the Investigators.
- c. Protected Disclosure will be appropriately dealt with by the Ethics Counsellor or the designated person of the Audit Committee, as the case may be.
- d. Policy should not be used in place of the Company grievance procedures or be a route for raising malicious or unfounded allegations against colleagues

4. Eligibility

All directors and employees of the Company are eligible to make Protected Disclosures under the Policy. The Protected Disclosures may be in relation to matters concerning the Company.

5. Disqualifications

- a. While it will be ensured that genuine Whistle Blowers are accorded complete protection from any kind of unfair treatment as herein set out, any abuse of this protection will warrant disciplinary action.
- b. Protection under this Policy would not mean protection from disciplinary action arising out of false or bogus allegations made by a Whistle Blower knowing it to be false or bogus or with a *mala fide* intention.
- c. Whistle Blowers, who make three or more Protected Disclosures, which have been subsequently found to be mala fide, frivolous, baseless, malicious, or reported otherwise than in Good Faith, will

be disqualified from reporting further Protected Disclosures under the Policy. In respect of such Whistle Blowers, the Company or Audit Committee would reserve its right to take or recommend appropriate Disciplinary Action.

6. Procedure

- (i). All Protected Disclosures concerning financial/accounting matters should be addressed to the designated person of the Audit Committee of the Company for investigation.
- (ii). In respect of all other Protected Disclosures, those concerning the Ethics Counsellor and employees at the levels of Functional Heads and above should be addressed to the designated person of the Audit Committee of the Company and those concerning other employees should be addressed to the Ethics Counsellor of the Company.
- (iii). The contact details of the designated person of the Audit Committee are as under:

Mr. Jeet Chugani,
Hinduja House, 171, Dr. A. B. Road,
Worli, Mumbai 400018

The contact details of the Ethics Counsellor are as under:

Mr. P. J. Saldanha
Hinduja House, 171, Dr. A. B. Road,
Worli, Mumbai 400018

- (iv). If a protected disclosure is received by any executive of the Company other than designated person of Audit Committee or the Ethics Counsellor, the same should be forwarded to the Company's Ethics Counsellor or the designated person of the Audit Committee for further appropriate action.

Appropriate care must be taken to keep the identity of the Whistle Blower confidential.

- (v). Protected Disclosures should be reported in writing so as to ensure a clear understanding of the issues raised and should either be typed or written in a legible handwriting in English, Hindi or in the regional language of the place of employment of the Whistle Blower. Concerns expressed anonymously will not be investigated.
- (vi). The Protected Disclosure should be forwarded under a covering letter which shall bear the identity of the Whistle Blower. The designated person of the Audit Committee / Ethics Counsellor, as the case may be shall detach the covering letter and forward only the Protected Disclosure to the Investigators for investigation.
- (vii). Protected Disclosures should be factual and not speculative or in the nature of a conclusion, and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern.
- (viii). For the purpose of providing protection to the Whistle Blower, the Whistle Blower should disclose his/her identity in the covering letter forwarding such Protected Disclosure.

7. Investigation

- a. All Protected Disclosures reported under this Policy will be thoroughly investigated by the Ethics Counsellor / designated person of the Audit Committee of the Company who will investigate / oversee the investigations under the authorization of the Audit Committee.
- b. The Ethics Counsellor / designated person of the Audit Committee may at his discretion, consider involving any Investigators for the purpose of investigation.
- c. The decision to conduct an investigation taken by the Ethics Counsellor / designated person of the Audit Committee is by itself not an accusation and is to be treated as a neutral fact-finding process. The outcome of the investigation may not support the conclusion of the Whistle Blower that an improper or unethical act was committed.
- d. The investigators/ Ethics Counsellor/ designated person of the Audit Committee, whatever their role in the organisation may be, will be accountable only to the Audit Committee on whistleblowing matters. They should not disclose / discuss further course of action with any member of management or disclose the identity of the whistleblower to anyone without the consent of the Audit Committee.
- e. The identity of a Subject will be kept confidential to the extent possible given the legitimate needs of law and the investigation.
- f. Subjects will normally be informed of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.
- g. Subjects shall have a duty to co-operate with the Ethics Counsellor / designated person of the Audit Committee or any of the Investigators during investigation to the extent that such co-operation will not compromise self-incrimination protections available under the applicable laws.
- h. Subjects have a right to consult with a person or persons of their choice, other than the Ethics Counsellor / Investigators and/or members of the Audit Committee and/or the Whistle Blower. Subjects shall be free at any time to engage counsel at their own cost to represent them in the investigation proceedings.
- i. Subjects have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with, and witnesses shall not be influenced, coached, threatened or intimidated by the Subjects.
- j. Unless there are compelling reasons not to do so, Subjects will be given the opportunity to respond to material findings contained in an investigation report. No allegation of wrongdoing against a Subject shall be considered as maintainable unless there is good evidence in support of the allegation.
- k. Subjects have a right to be informed of the outcome of the investigation. If allegations are not sustained, the Subject should be consulted as to whether public disclosure of the investigation results would be in the best interest of the Subject and the Company.
- l. The investigation shall be completed normally within 45 days of the receipt of the Protected Disclosure.

8. Protection

- a. No unfair treatment will be meted out to a Whistle Blower by virtue of his/her having reported a Protected Disclosure under this Policy. The Company, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against Whistle Blowers. Complete protection will, therefore, be given to Whistle Blowers against any unfair practice like retaliation, threat or intimidation of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion, or the like including any direct or indirect use of authority to obstruct the Whistle Blower's right to continue to perform his duties/functions including making further Protected Disclosure. The Company will take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Protected Disclosure. Thus, if the Whistle Blower is required to give evidence in criminal or disciplinary proceedings, the Company will arrange for the Whistle Blower to receive advice about the procedure, etc.
- b. A Whistle Blower may report any violation of the above clause to the designated person of the Audit Committee, who shall investigate into the same and recommend suitable action to the management.
- c. The Company will ensure the following:
 - i. that appropriate care is taken to keep the identity of the Whistle Blower confidential and any such disclosure be made only on a need to know basis, and
 - ii. that the identity of the Whistle Blower is kept confidential to the extent possible and permitted under law.

However, Whistle Blowers are cautioned that their identity may become known for reasons outside the control of the Audit Committee as the case may be (e.g. during investigations carried out by Investigators).
- d. Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.

9. Investigators

- a. Investigators are required to conduct a process towards fact-finding and analysis. Investigators shall derive their authority and access rights from the Ethics Counsellor / Audit Committee when acting within the course and scope of their investigation.
- b. Technical and other resources may be drawn upon as necessary to augment the investigation. All Investigators shall be independent and unbiased both in fact and as perceived. Investigators have a duty of fairness, objectivity, thoroughness, ethical behavior, and observance of legal and professional standards.
- c. Investigations will be launched only after a preliminary review by the designated person of the Audit Committee or the Ethics Counsellor, as the case may be, which establishes that:
 - (i) the alleged act constitutes an improper or unethical activity or conduct, and

- (ii) the allegation is supported by information specific enough to be investigated or in cases where the allegation is not supported by specific information, it is felt that the concerned matter is worthy of management review provided that such investigation should not be undertaken as an investigation of an improper or unethical activity or conduct.

10. Decision

If an investigation leads the Ethics Counsellor / designated person of the Audit Committee to conclude that an improper or unethical act has been committed, the Ethics Counsellor / designated person of the Audit Committee shall recommend to the management of the Company to take such disciplinary or corrective action as the Ethics Counsellor / designated person of the Audit Committee may deem fit. It is clarified that any disciplinary or corrective action initiated against the Subject as a result of the findings of an investigation pursuant to this Policy shall adhere to the applicable personnel or staff conduct and disciplinary procedures.

11. Reporting

The Ethics Counsellor/ designated person of the Audit Committee shall submit a report at each Audit Committee meeting about all Protected Disclosures referred to him/her since the last report together with the results of investigations, if any.

12. Retention of documents

All Protected Disclosures in writing or documented along with the results of investigation relating thereto shall be retained by the Company for a minimum period of seven years.

13. Amendment

The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever.

14. Disclosure

The details of establishment of the whistle blower mechanism shall be disclosed on the website of the Company and in the Board's report.